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Pakistan

Cotton and Products

Cotton Outlook 2004/05

2004

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Report Highlights:

MY 2004/05 total cotton area is forecast to expand, as higher projected returns for cotton should attract land from sugarcane production. MY 2004/05 total cotton production is forecast at 1.96 Million Metric Tons based on greater availability of better quality production inputs coupled with higher average yields.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Islamabad [PK]
[PK]

This report is in response to USDA FAS WASHDC 663802

Area

MY 2004/05 cotton area is forecast at 3.2 million hectares, up 4 percent over the MY 2003/04 area estimate. Higher returns for cotton relative to competing crops coupled with major problems farmers encountered marketing the current sugarcane crop - delayed payments from sugar mills, continued depressed market for sugarcane (whose price declined 10 percent in 2003/04 following a 50 percent drop in 2002/03), should encourage diversion of additional acreage towards cotton production in the new year. Unlike for sugarcane and rice (alternate crops for cotton), in MY 2003/04 farmers received good returns on seed cotton. The farm-gate price for MY 2003/04 seed cotton is up 40 percent over the MY 2002/03 level, averaging between Rs. 1,050-1,400 per maund (37.324 kilograms) or about 21 cents per lb. at the current exchange rate of USD 1.00 = Rupees 57.50.

Yield

MY 2003/04 national average yield is estimated at 550 kilograms per hectare, 2 percent below the MY 2002/03 national average and 8 percent lower than the five-year average yield. Exceptionally unfavorable rains in September 2003, during a critical stage of production, spurred bollworm infestation and hampered harvest efforts. MY 2004/05 yields are projected to exceed current output levels based on: (a) increased plantings of virus-tolerant and early-maturing varieties, (b) adequate fertilizer application, and (c) more than adequate supplies of high quality pesticides. Assuming late season weather to be better than last year (in reference to late season unusually heavy rains), MY 2004/05 cotton yields are expected to average 550-650 kilograms per hectare.

Production

MY 2004/05 cotton output is forecast at 1.96 MMT, based on projected increases in planted area, better inputs, higher yields and the absence of irrigation problems instigated by drought conditions during recent crop cycles.